



**STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097**

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

**ISSUANCE OF A MESSAGE CHAIR CONCESSION AGREEMENT TO
SMARTE CARTE, INC. AT HONOLULU INTERNATIONAL AIRPORT,
HILO INTERNATIONAL AIRPORT, KAHULUI AIRPORT, KONA
INTERNATIONAL AIRPORT AT KEAHOLE AND LIHUE AIRPORT**

STATEWIDE

The Department of Transportation (DOT) proposes to offer a new negotiated Concession Agreement to provide self-service mechanical Message Chairs available for rental to passengers at Statewide Airports. The Concession Agreement shall contain the following negotiated terms and conditions:

PURPOSE:

The right and obligation to provide for the rental of self-service massage chairs at designated locations at the airports.

LEGAL REFERENCE:

Chapter 102-2(b)(4), Hawaii Revised Statutes, as amended. Exemption from the bidding requirements for automatic teller machines and vending machines, except vending machines located at public schools operated by blind or visually-handicapped persons in accordance with Section 302A-412.

LOCATION:

Honolulu International Airport, Hilo International Airport, Kahului Airport, Kona International Airport at Keahole and Lihue Airport.

ZONING:

Honolulu – Land use: Urban/County: Industrial (12)
Kona at Keahole – Land Use: Urban/County: Industrial (MG1a)
Hilo – Land Use: Urban/County: Industrial (ML20)
Kahului – Land Use: Urban/County: Airport
Lihue – Land Use: Urban/County: Industrial (IG-STP)

TAX MAP KEY:

- 1st Division – 1-1-03: Portion of 1 (Honolulu)
- 2nd Division – 3-8-01: Portion of 19 (Kahului)
- 3rd Division – 7-3-43: Portion of 1 (Kona at Keahole)
- 3rd Division – 2-1-12: Portion of 9 (Hilo)
- 4th Division – 3-5-01: Portion of 8 (Lihue)

LAND STATUS:

Honolulu	-	Section 5(a) Non-Ceded, 5(b) Ceded Hawaii Admissions Act HHL 30% entitlement lands Yes__No <u>X</u>
Kona at Keahole	-	Section 5(b) Ceded, Hawaii Admissions Act DHHL 30% entitlement lands Yes__No <u>X</u>
Hilo	-	Section 5(b) Ceded, Hawaii Admissions Act DHHL 30% entitlement lands Yes__No <u>X</u>
Kahului	-	Section 5(a) Non-Ceded, Hawaii Admissions Act DHHL 30% entitlement lands Yes__No <u>X</u>
Lihue	-	Section 5(a) Non-Ceded, Hawaii Admissions Act DHHL 30% entitlement lands Yes__No <u>X</u>

PREMISES:

At the commencement of the Concession Agreement, as shown on the attached Exhibit A, are approximate locations detailed below. Specific locations will be determined in part on the proximity of electricity to the individual locations.

Honolulu International Airport, (Ceded)

- A. Building 368, second floor, four locations, each containing an area of 16 square feet, as shown on Exhibit A, Page A-3.

Honolulu International Airport (Non-Ceded)

- B. Building 310, Interisland Terminal second floor, four locations, each containing an area of approximately 16 square feet, as shown on Exhibit A, Page A-1.
- C. Building 341, Diamond Head Extension, second floor, four locations, each containing an area of approximately 16 square feet, as shown on Exhibit A, Page A-2.

- D. Building 344, Ewa Domestic Building, second floor, two locations, each containing an area of approximately 16 square feet, as shown on Exhibit A, Page A-2.
- E. Building 350, Central Concourse, second floor, four locations, each containing an area of approximately 16 square feet, as shown on Exhibit A, Page A-4.
- F. Building 360, Diamond Head Concourse, second floor, two locations, each containing an area of approximately 16 square feet, as shown on Exhibit A, Page A-5.

Kona International Airport at Keahole:

- A. Building 353, South Concourse, four locations, each containing an area of approximately 16 square feet, as shown on Exhibit A, Page A-6.
- B. Building 368, North Concourse, four locations, each containing an area of approximately 16 square feet, as shown on Exhibit A, Page A-6.

Lihue Airport:

- A. Building 306, Main Terminal Building, Terminal Level, eight locations, each containing an area of approximately 16 square feet as shown on Exhibit A, Page A-7.
- B. Building 306, Main Terminal Building, Terminal Level, four locations, each containing an area of approximately 16 square feet as shown on Exhibit A, Page A-8.

Hilo International Airport:

- A. Building 307, location and number to be determined, (Building shown on Exhibit A, Page A-9).
- B. Building 304, Commuter Terminal, four locations, each containing an area of approximately 16 square feet, as shown on Exhibit A, Page A-10.

Kahului Airport:

- A. Building 225, Commuter Terminal, location and number to be determined (building shown on Exhibit A, Page A-10).
- B. Building 341, Main Terminal, second level, location and number to be determined (building shown on Exhibit A, Page A-12).
- C. Building 345, Main Terminal, second level, location and number to be determined (building shown on Exhibit A, Page A-12).
- D. Building 330, Central Building, second level, six locations, each containing an area of approximately 16 square feet, as shown on Exhibit A, Page A-13.

- E. Building 342, Terminal Buildings, second level, four locations, each containing an area of approximately 16 square feet, as shown on Exhibit A, Page A-13.
- F. Building 346, Holding Rooms D, six locations, each containing an area of approximately 16 square feet, as shown on Exhibit A, Page A-13.
- G. Building 350, Holding Rooms E, and Building 354, Holding Rooms F, location and number to be determined (building shown on Exhibit A, Page A-14).

TERM:

Five years commencing on November 1, 2010 and ending on October 31, 2015.

CONCESSION FEE:

For the Term of this Agreement, the Concession Fee shall be seventeen and one-half percent (17.5%) of the Gross Receipts from massage chair rentals at the Airports.

INSTALLATION:

Concessionaire shall pay all costs associated with providing fully functional massage chairs at each of the locations at each of the Airports. Any installations associated with the Concession will be at the Concessionaire's sole cost and expense.

DBE PARTICIPATION:

Although there is no DBE participation goal established for this Concession Agreement, the Concessionaire is encouraged to voluntarily strive to achieve DBE participation in its Concession operations.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawaii Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawaii, Department of Transportation dated November 15, 2000, as approved by the Environmental Quality Council. Exemption Class #1 covers operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existed.

REMARKS:

Smarte Carte Inc., which currently operates the luggage cart concession at the Airports, and has massage chair concessions at other airports in the United States, has been determined to be qualified and able to manage the self-service massage chair operation at the Airports.

This service will provide the State the opportunity to meet the needs of air travelers, passengers, visitors, customers and other users of the Airports.

RECOMMENDATION:

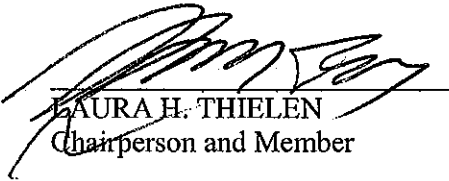
That the Board authorize the DOT to consent to the Concession Agreement as hereinabove outlined subject to: (1) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (2) the review and approval of the Department of the Attorney General's Office as to the lease form and content.

Respectfully submitted,

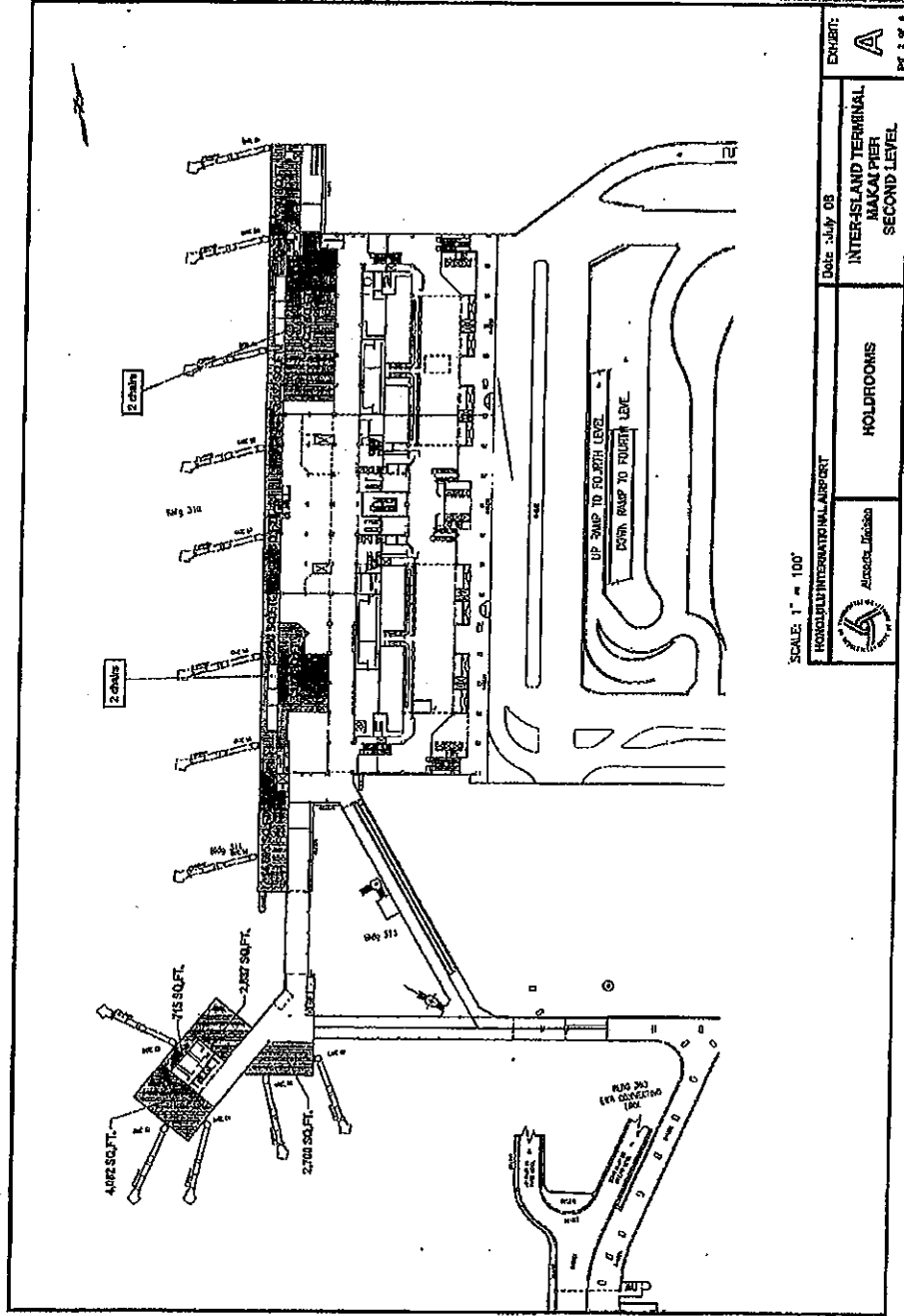


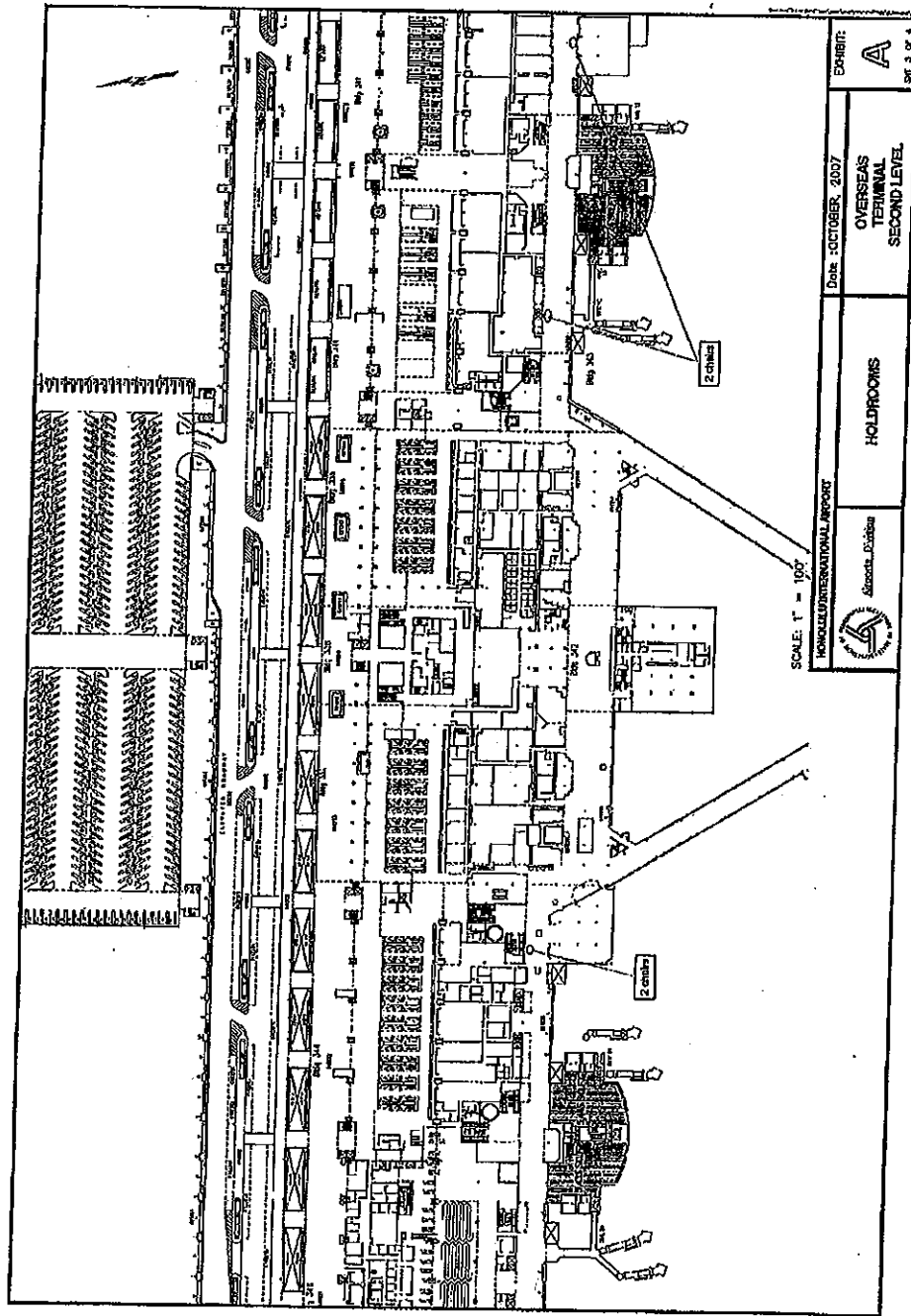
BRENNON T. MORIOKA, Ph.D., P.E.
Director of Transportation

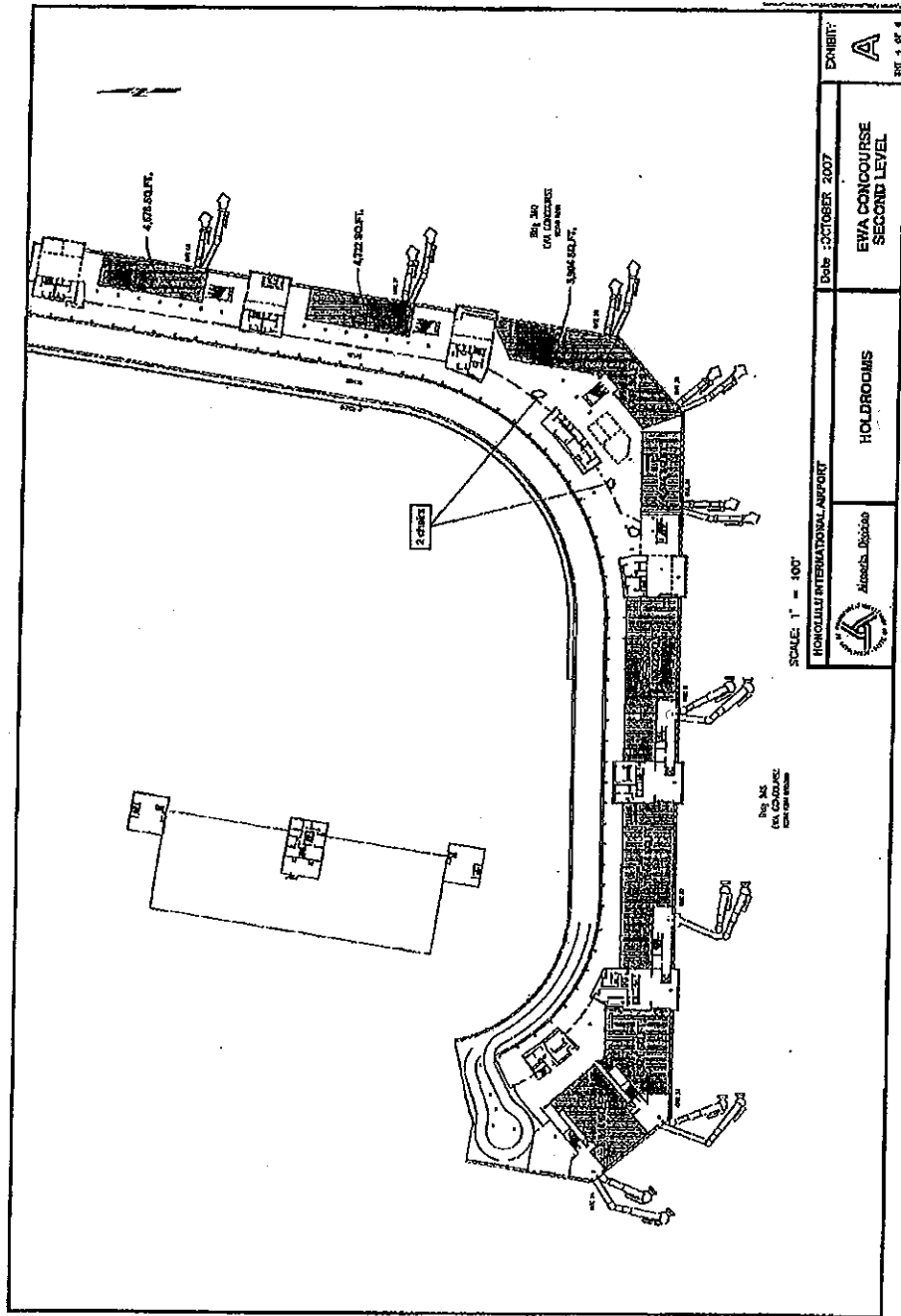
APPROVED FOR SUBMITTAL:

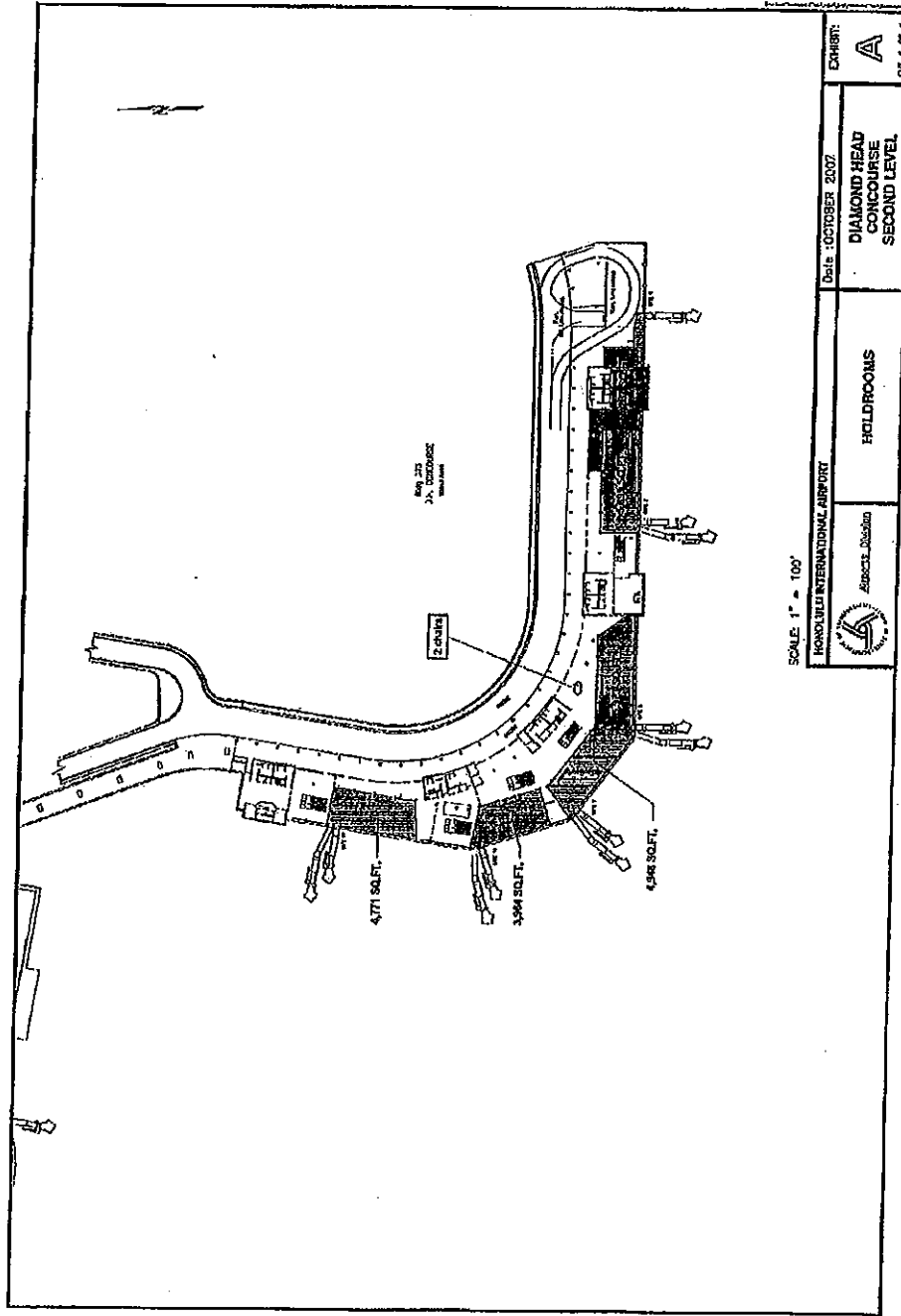


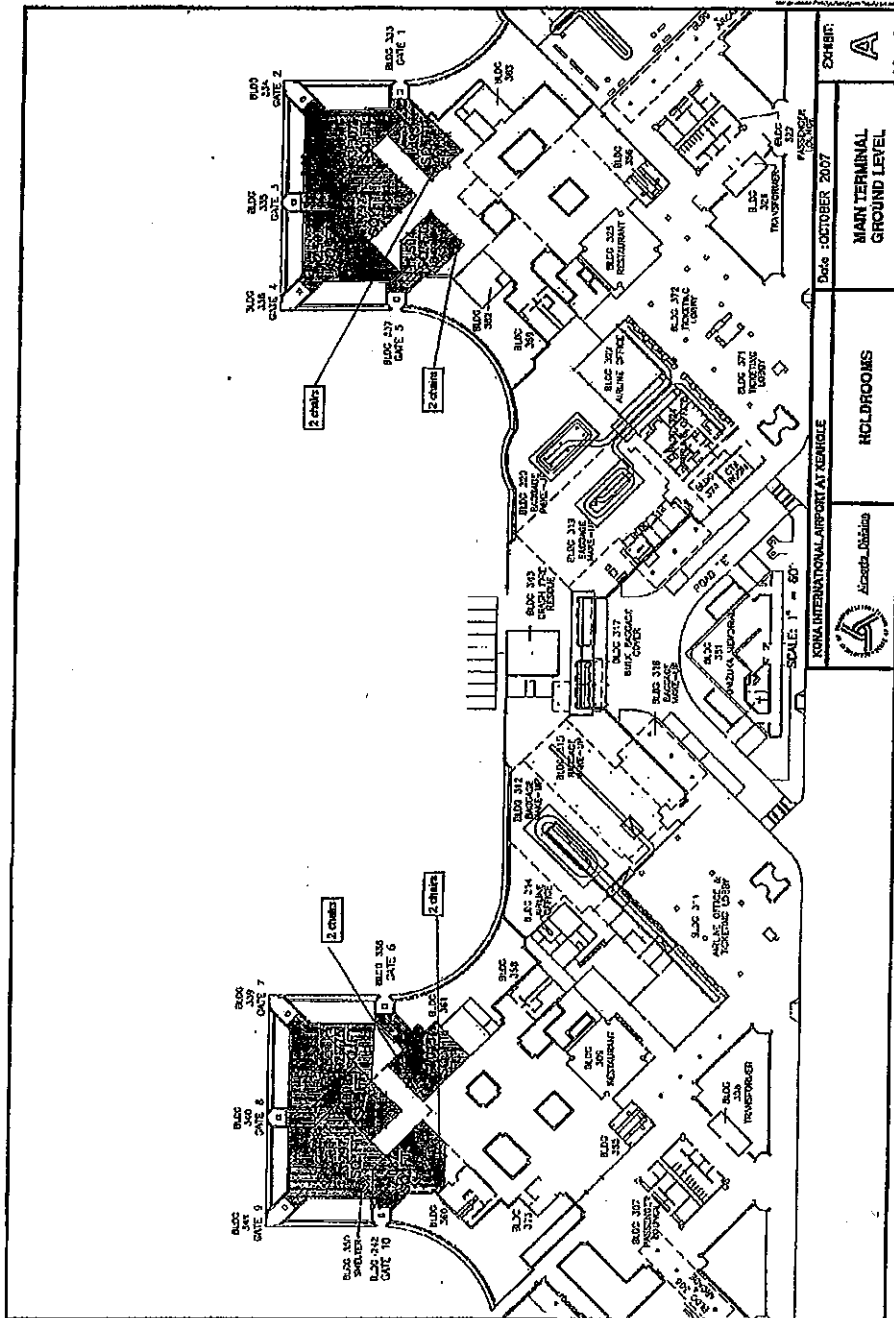
LAURA H. THIELEN
Chairperson and Member

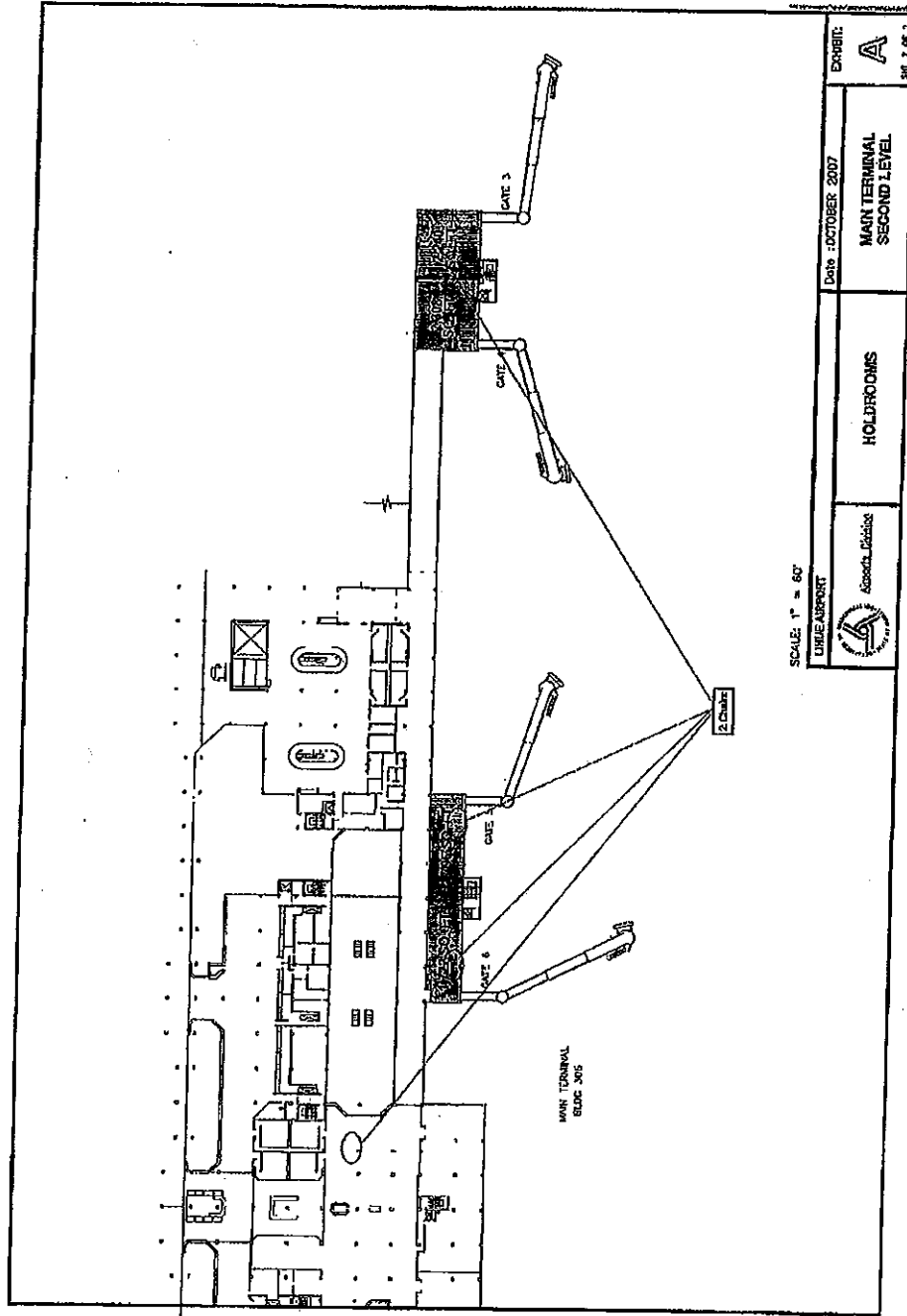


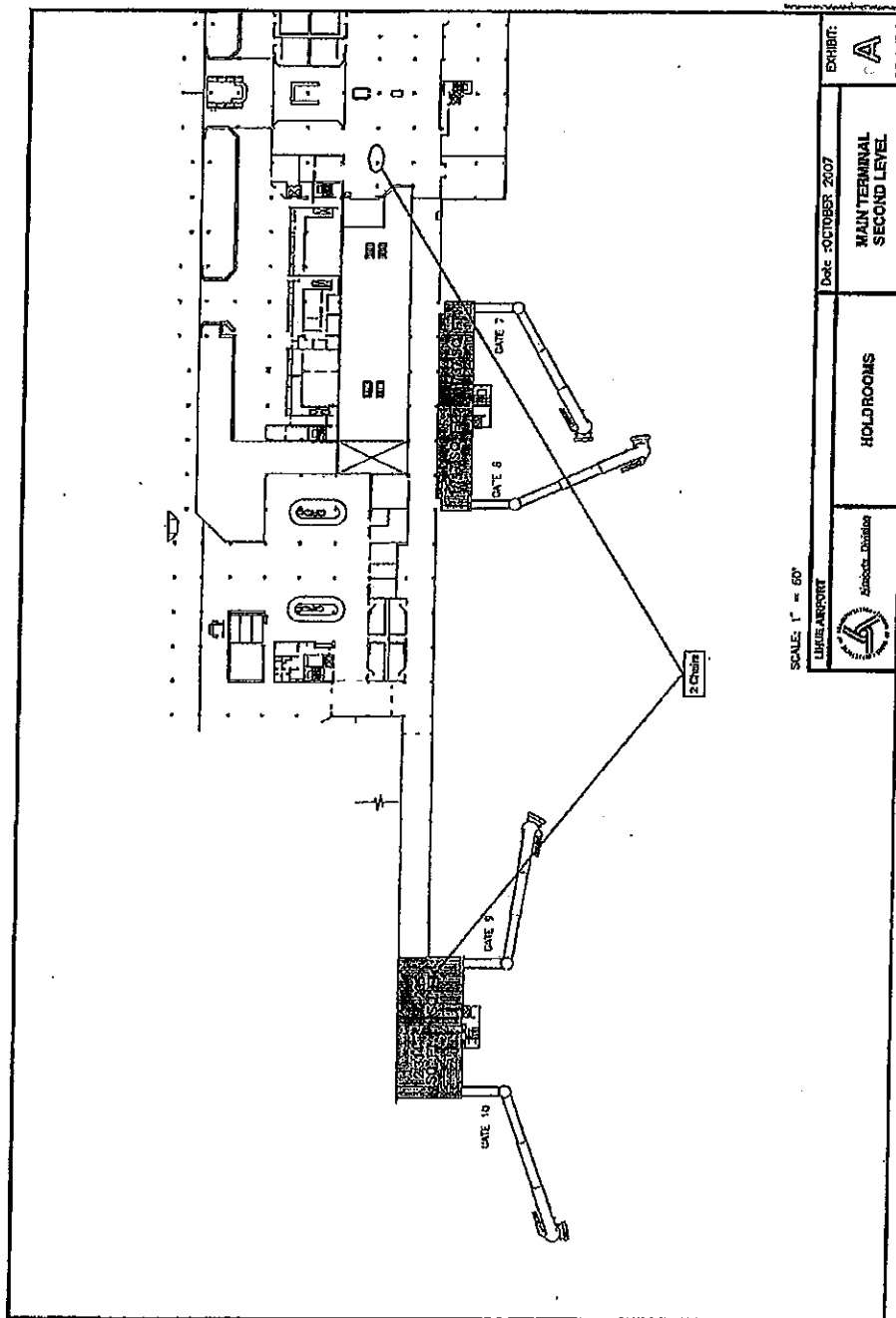












SCALE: 1" = 60'

LAX AIRPORT



Airports Division

HOLDROOMS

Date: OCTOBER 2007

MAIN TERMINAL
SECOND LEVEL

EXHIBIT: **A**
SHEET 1 OF 2

